

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS ELMORE-YALCH TO NPPC INTERROGATORIES
NPPC/USPS-T11-1-14**

The United States Postal Service hereby provides the responses of witness Elmore-Yalch to the above-listed interrogatories of the National Postal Policy Council, dated January 31, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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NPPC/USPS-T11-1: Please refer to your response to GCA/USPS-T11-1. Do you believe that Large Commercial Account respondents in the quantitative market research were probably aware of the Postal Service's proposal regarding Saturday delivery, even if that proposal was not specifically mentioned to them by your research team?

RESPONSE:

We did expect some awareness among Large Commercial Account respondents that elimination of Saturday delivery was a topic of discussion. For that reason the questionnaire was structured carefully to exclude volume changes arising out of that awareness.

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NPPC/USPS-T11-2: Please refer to your response to GCA/USPS-T11-2 and the categories of applications listed at page 5, lines 11 through 21, of your testimony. Were monthly account statements of the nature sent by banks, brokerage firms, and similar financial institutions considered “bills, invoices, or statements,” “general communications,” or “reports, contracts, policies, legal papers”?

RESPONSE:

I believe that the financial institutions surveyed included monthly account statements in the “bills, invoices, and statements” application.

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NPPC/USPS-T11-3: Were any of the organizations that participated in one of the 17 “in-depth” interviews of National and Premier Accounts also included in the quantitative research? If so, please indicate how many participated in both types of research.

RESPONSE:

No.

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NPPC/USPS-T11-4: Were the organizations that were part of the quantitative survey of National, Premier, and Preferred accounts provided with written survey forms? If not, was the quantitative research for those accounts conducted entirely by telephone?

RESPONSE:

Data collection for National, Premier, and Preferred Accounts was conducted entirely by telephone (see pages 25, line 14; 27, line 13; and 29, line 17). No written materials were provided to respondents in these segments.

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NPPC/USPS-T11-5: Please refer to page 15, lines 22-24, of your testimony. Did the quantitative research screen respondents to ensure that they “decide or influence” *whether* a communication is sent by mail instead of some other type of communication (rather than what type of mail is used)?

RESPONSE:

The actual screening statements for each segment are included in the questionnaires in Appendix F:

- Large Commercial Accounts, page 89, lines 9 to 11
- Small and Home-Based Businesses, page 117, lines 3 to 4 (small businesses) and page 110, lines 14 to 15 (home-based businesses)
- Consumers, page 139, lines 2 to 3

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NPPC/USPS-T11-6: Please refer to page 16, lines 6 through 8 (and Appendix F). If a business respondent were responsible for the “Bills, invoices, or statements” application but not for the “advertising or marketing materials) application, for what applications should that respondent have provided volume data and estimates?

RESPONSE:

Business respondents provided volume data and estimates only for those applications for which they had responsibility.

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NPPC/USPS-T11-7: Was the quantitative market research designed to obtain data on the *total* mail volume that a National Account would send under the scenario presented to the respondent, or merely for those applications for which the person had responsibility? Please explain how the market research would have elicited information or estimates for a National Account's total mail volume.

RESPONSE:

The quantitative market research was designed to obtain reliable estimates of the **percentage change in volume** for each Postal Service product. This was accomplished by asking respondents about volume for each application; witness Whiteman then used the aggregated estimate of volume change for each product applied to the known postal volumes for each product to produce the volume change estimates in his Chart 1.

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NPPC/USPS-T11-8: Was the quantitative market research designed to obtain data on the *total* mail volume that a Premier Account would send under the scenario presented to the respondent, or merely for those applications for which the person had responsibility? Please explain how the market research would have elicited information or estimates for a Premier Account's total mail volume.

RESPONSE:

See response to NPPC/USPS-T11-7.

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NPPC/USPS-T11-9: Was the quantitative market research designed to obtain data on the *total* mail volume that a Preferred Account would send under the scenario presented to the respondent, or merely for those applications for which the person had responsibility? Please explain how the market research would have elicited information or estimates for a Preferred Account's total mail volume.

RESPONSE:

See response to NPPC/USPS-T11-7.

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NPPC/USPS-T11-10: Please refer page 44, lines 16-17, of your testimony and to your response to GCA/USPS-T11-5(a).

a. If, in response to the service standard changes described by the market researcher, an organization would likely convert one-half of its marketing correspondence from First-Class Presort Mail to Standard Mail, would you have expected that conversion to be reported in response to the “way” question?

b. If, in response to the service standard changes described by the market researcher, an organization would likely convert one-half of its marketing correspondence from First-Class Presort 5-digit letter Mail to First-Class Presort 3-digit letter Mail, would you have expected that conversion to be reported in response to the “way” question?

c. If, in response to the service standard changes described by the market researcher, an organization would likely convert one-half of its account statements from First-Class Presort letter Mail to electronic alternatives, in response to which question would that change appear?

RESPONSE:

Respondents were asked two questions:

1. What is the likelihood that the First-Class Mail service standards that I have just described will cause your organization to **modify the number of individual pieces of mail your organization will mail in 2012?>**
2. What is the likelihood that the First-Class Mail service standards that I have just described will cause your organization to **modify the way your organization mails different items in 2012?**

Using the specific examples provided in the question, I believe we can assume that examples (a) and (b) would be reflected in a respondent’s answer to Question #2 (the way in which the organization mails different items) and that example (c) would be reflected in a respondent’s answer to Question #1 (the total number of individual pieces of mail their organization would send).

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NPPC/USPS-T11-11: Please refer page 50, Figure 42. Does the line labeled "First-Class Mail" refer to Single-Piece mail only?

RESPONSE:

Yes.

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NPPC/USPS-T11-12: Please refer to Appendix F of your testimony.

a. Please confirm that this contains the only script that was used in the quantitative surveys of large commercial accounts. If you cannot confirm, please identify what other script or scripts were used.

b. Please refer to page 89, lines 10-11, of Appendix F to your testimony. Did you considering phrasing the question (instead of or in addition to the question actually asked) as: "May I please speak with the person in your organization who makes decision and/or recommendations on whether to send communications via mail or electronic means?"

c. Did you consider whether to ask for the person with budget authority over customer or marketing communications? Either in addition to or instead of the person that makes decisions/recommendations on how to send mail? Please discuss.

RESPONSE:

a. Confirmed.

b. No.

c. No.

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NPPC/USPS-T11-13: Please refer to Figures 42 through 44 of your testimony. These figures indicate that, among Presort First-Class mailers, the forecasted volume reduction would be smallest for the largest mailers (National Accounts), largest for the smallest mailers (Preferred Accounts), and in between for Premier accounts. Did the survey identify any factors that would account for these results?

RESPONSE:

No.

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NPPC/USPS-T11-14: For the quantitative surveys conducted using Appendix F:

a. What guidance was provided to the interviewers regarding how long the survey should take and how much time respondents were given to respond to the questions?

b. What was the average length of time of a survey interview?

RESPONSE:

(a) Interviewers were told that the surveys would average between 20 and 25 minutes in length and would vary based on the number of applications for which an individual respondent was responsible. Interviewers completing the surveys were trained Executive Interviewers who are instructed to carefully read the questionnaire script verbatim, to allow the respondent adequate time to provide their responses, and to ask for clarification as needed.

(b) The average interview time for the Large Commercial Accounts was 21.5 minutes.

We do not have an average interview length for the Small and Home-Based Business interviews as these were completed online and there is no reliable means to measure how much time respondents spend completing the actual interview versus being logged into the survey but not responding (*i.e.*, starting, pausing, stepping away to perform another task, *etc.*)

We do not have an exact length of the consumer interviews as the timer also included those who screened out because they were not in charge of the household mail. Our estimate is that the consumer interviews averaged 7 to 8 minutes in length.